

**Town of Sunset Beach
2015/2016 Budget Work Session**

April 28 & 29, 2015

MINUTES

Members Present: Mayor Ron Watts, Mayor Pro-Tem Lou DeVita, Councilwoman Carol Scott, Councilman Wilson Sherrill, Councilman Mike Williams and Councilman Terry Johnson

Members absent: None

Staff Present: Susan Parker, Town Administrator; Bonnie Schwerd, Finance Director; Dustin Graham, Public Works Director; Rawls Howard, Planning and Inspections Director; Kevin Dempsey, Fire Chief; Richard Childres, Assistant Fire Chief; Lisa Joyner, Police Chief; Detective Joe Smith; Cindi Stephenson, Deputy Finance Director and Lisa Anglin, Town Clerk

Mayor Watts called the Work Session to order.

2015/2016 Proposed Budget

Bonnie Schwerd explained the budget process utilized to prepare the proposed budget.

The Council reviewed the proposed budget by department with each Department Head as follows:

Public Works Department – Dustin Graham, Director

Public Buildings – Graham advised that no capital projects or expenditures are planned for any of the public buildings in this budget. Schwerd advised that the public building cleaning expenses have been consolidated from all of the departments into the Public Buildings Budget at line #10-4190-394. The Council made no changes to the Public Buildings Budget.

Streets – Graham advised that a capital expenditure to replace the 2001 Chevrolet S-10 pickup truck has been included in the Streets Budget. Graham listed the repair needs of the truck and advised that the repair estimates outweigh the value of the vehicle. Councilwoman Scott questioned the need for the sidewalk project. Susan Parker advised that the Council has directed the sidewalk project be completed as a part of the Bike Path. Councilwoman Scott voiced concerns with the take home vehicles of non-emergency personnel and suggested that the salary level should be increased to compensate for the loss of the vehicle.

Sanitation – Graham advised that the Refuse Collection line (10-4710-399) has increased slightly due to the contractor increase. Schwerd advised that the Recycle line (10-4710-401) is the expenditure for the volunteer recycling program noting that the equivalent revenue resulting in a net zero for the program is included.

Environmental Protection – Schwerd advised that the Professional Services line (10-4730-194) is budgeted for the engineering services concerning the stormwater maintenance program being developed. The Council discussed the multiple stormwater permit holders within the Town per subdivision and agreed that a collective effort needs to be put forth to work with all of the permit holders to develop a Town-wide maintenance planning.

Public Works Department (Cont.) – Dustin Graham, Director

Mosquito – Graham advised that the County has been requested to spray a pre-season treatment within Town limits due to the recent excessive rainfall. Schwerd advised that last year the County awarded the Town a \$1200 grant for the mosquito program.

Powell Bill – Graham advised that a crack sealing program is being started to lengthen the life of the pavement.

Police Department – Lisa Joyner, Police Chief advised that capital expenditures have been included in the Police Department budget to replace the 2001 and 2007 police vehicles, to purchase five (5) Viper radios for the patrol vehicles. The Council questioned the repair costs of the vehicles. Joyner advised that both vehicles need to be replaced to ensure that the level of service can be maintained. The Council discussed the radios for the vehicles and the need for body cameras. Joyner advised that the radios are necessary for the vehicles due to transmission issues in some areas of Town. Joyner advised that the vehicles are equipped with cameras that are automatically begin filming when the lights and sirens are activated. Joyner reviewed the Department restructuring proposal to convert two (2) patrol officers to sergeants to supervise and work with the patrol officers; to hire a second full-time detective and to convert the Deputy Chief of Patrol position to an Assistant Chief position.

Fire Department – Kevin Dempsey, Fire Chief advised that capital expenditures have been included in the Fire Department budget to replace the 2000 Chevrolet Tahoe and to purchase an ATV with a transport board for use with medical calls on the beach strand. Dempsey requested approval to add two (2) additional part-time fire positions to assist with the increased call volume from April through September.

Planning and Inspections – Rawls Howard, Planning Director advised that capital expenditures have been included in the Planning and Inspections department to convert the vacant building inspector position to a GIS Analyst, to purchase GIS software and hardware and to hire a consultant to re-write the UDO and the CAMA Land Use Plan. Councilwoman Scott and Councilman Johnson questioned the need for a GIS Analyst with the County GIS system availability. Howard validated that the GIS Analyst is needed not only for the planning department but also for stormwater system, roads, easements, etc. The Council questioned the need for the re-write of the UDO and Land Use Plan. Howard advised that the Land Use Plan update is a mandate from the State and in 2015 the Town's plan must be updated. Howard explained that the UDO contains numerous errors in multiple articles which warrant a re-write. Mayor Watts requested Howard to prioritize his capital expenditures. Howard advised 1st – GIS Analyst, 2nd Land Use Plan re-write and 3rd UDO re-write.

Tax – Bonnie Schwerd, Finance Director reviewed the proposed budget. No changes were made by Council.

Attorney - Bonnie Schwerd, Finance Director advised that the increase represents the new Town Attorney cost including estimated litigation cost and the Board of Adjustment Attorney.

Human Services - Bonnie Schwerd, Finance Director reviewed the proposed budget. Council reached a consensus to remove the Human Services budget section.

Elections - Bonnie Schwerd, Finance Director advised this is an election year and the budget represents payment to Brunswick County Board of Election. No changes were made by Council.

The Council recessed for lunch at 11:30 am and reconvened at 12:30 pm.

Governing Body – The Council reviewed the Governing Body budget and no changes were made.

Administration – Bonnie Schwerd, Finance Director, requested Council to make minor adjustments to line items 10-4120-121, 10-4120-440 and 10-4120-450 to correct keying errors. Schwerd advised that the Department Equipment budget of \$66,000 includes the proposed phone system, and records management systems.

Finance – Bonnie Schwerd, Finance Director
The Council reviewed the Finance Department budget and no were made changes.

Occupancy Tax – Schwerd and the Council reviewed the revised accounting method for the **Accommodation Tax Fund – “A Tax”** and the **Beach Erosion and Protection Fund – “B Tax”**. Schwerd advised that the Beach Erosion and Protection Fund include the proposed cost for rebuilding walkways and engineering services for the beach and inlets dredging project. CAMA grant funds are available for walkway repairs; Staff will be submitting an application.

Sunset at Sunset – Schwerd advised that the proposed expense budget of \$20,000 has an offsetting revenue budget which will be raised by the Committee through sponsorships, vendor fees and merchandise sales. No additional Town funds expenditures are anticipated.

Non-Profit Agency Funding – Schwerd requested Council to consider allocating a total dollar amount for Non-Profit Agency Funding at this point until Staff can develop a policy outlining the appropriate uses of the funds and a method of verifying compliance. The Council will discuss in detail during the April 29th Work Session.

Recess

COUNCILWOMAN SCOTT MADE A MOTION TO RECESS THE BUDGET WORK SESSION UNTIL 12:30 PM ON WEDNESDAY, APRIL 29, 2015. COUNCILMAN WILLIAMS SECONDED THE MOTION. MAYOR WATTS CALLED FOR A VOTE AND THE MOTION CARRIED BY UNANIMOUS VOTE.

Budget Work Session Continuation
April 29, 2015

MINUTES

Members Present: Mayor Ron Watts, Mayor Pro-Tem Lou DeVita, Councilwoman Carol Scott, Councilman Wilson Sherrill, Councilman Mike Williams and Councilman Terry Johnson

Members absent: None

Staff Present: Susan Parker, Town Administrator; Bonnie Schwerd, Finance Director; Dustin Graham, Public Works Director; Rawls Howard, Planning and Inspections Director; Kevin Dempsey, Fire Chief; Richard Childres, Assistant Fire Chief; Lisa Joyner, Police Chief; Detective Joe Smith; Cindi Stephenson, Deputy Finance Director and Lisa Anglin, Town Clerk

Mayor Watts called the Work Session to order. The Council reviewed the agenda and reached a consensus to add public comments and to discuss the Capital Projects prior to the Non-Profit Agency Funding. All other agenda items remained the same.

Revenue Overview – Bonnie Schwerd, Finance Director reviewed the proposed Revenue budget and advised that a conservative approach was taken into consideration given the uncertainty of continued appropriations from several State revenue sources.

Fee Schedule – Schwerd reviewed the proposed fee schedule noting that fees for returned checks, large copies and surf chair rental have been added. Rawls Howard reviewed the proposed planning and inspections fees. The Council questioned the proposed re-inspection fees and when they would be charged. A brief discussion was held concerning inspectors finding new violations during a re-inspection visit, which would then prompt another re-inspection. Howard advised that he was unaware of this issue and would discuss this with his Staff and look further into the situation.

Capital Projects – The Council reviewed the Capital Projects list. The majority of the Council agreed to include the following capital expenditures in the 2015/2016 budget:

- Street Paving \$325,000
- Bike/Walking Path from the roundabout to Station Trail \$ 50,000
- Beach Walkway Construction/Maintenance \$ 65,000
- Engineering Study of Beach/Inlet Waters \$ 50,000
- Storm Water Plan \$ 50,000
- Phone System \$ 26,000
- GIS/CAD System \$ 27,500
- A/V Equipment – Council Chambers \$ 5,000
- Fire Department Vehicle \$ 30,000
- Police Department Vehicle \$ 63,000
- Public Works/Streets Vehicle \$ 28,000
- VIPER Radios – Police Department \$ 19,500
- Side-by-Side UTV Fire Department Beach Operations \$ 18,000

Capital Projects (Cont.)

The Council reached a consensus to reduce the funding for the following Capital Projects:

- CAMA Land Use Plan reduced to \$30,000 (net reduction \$20,000)

The Council reached a consensus to include the following Capital Projects in the 2016/2017 Budget:

- UDO Update \$ 50,000
- Records Management System \$ 40,000

Schwerd advised that an update for Town Park Capital Project budget will be provided to Council once a review of the permit requirements are completed, including any modifications to the anticipated expenditures. The soft opening is planned for the Memorial Day Ceremony on May 25, 2015 at 10:00 am.

Non-Profit Agency Funding – Schwerd reviewed the list of non-profit agencies that have submitted applications requesting a total of \$125,500 in funding from the Town. Schwerd requested Council to consider allocating a total dollar amount for Non-Profit Agency Funding to be included in the budget and delaying the award of the individual grants until Staff can develop a policy outlining the appropriate uses of the funds and establishing an appropriate method of verifying agency compliance. The Council reached a consensus to add \$40,000 of funding in the 2015/2016 budget for Non-Profit Agencies that are tourism related only.

Salaries and Employee Merit Pool – Schwerd advised that a 3% Merit pool and a 1% bonus totaling \$95,500 have been included in the 2015/2016 budget. Schwerd advised that the merit pool will allow the Administrator and Department Heads to give employees merit based increases of 0 to 5% measured by the established evaluation program. Mayor Pro-Tem DeVita, Councilman Sherrill and Councilman Williams agreed with including a 3% Merit pool and a 1% bonus in the 2015/2016 budget. Councilwoman Scott and Councilman Johnson were opposed.

The Council discussed the request to add two (2) additional part-time fire positions to assist with the increased call volume from April through September. Mayor Pro-Tem DeVita, Councilman Sherrill and Councilman Williams agreed to add \$42,000 for two (2) additional part-time fire positions in the 2015/2016 budget. Councilwoman Scott and Councilman Johnson were opposed.

Contingencies – The Council discussed the proposed tax rate of \$16.5¢ and requested Staff to reduce the contingencies to allow for a 16¢ tax rate.

Public Comments

Len Steiner 613 Kings Trail – Advised the Council that the tax increase is needed to re-build the reserves, fund capital projects, mitigate the storm water management issues and the parking problem; encouraged the Council to purchase the property adjacent to Town Hall for additional parking.

Rich Cerrato 517 Twisted Oak Lane – Spoke in opposition of the proposed budget, advised Council that salary freezes and budget cuts need to be made, suggested Council set priorities.

Adjournment

COUNCILMAN SHERRILL MADE A MOTION TO ADJOURN THE 2015/2016 BUDGET WORK SESSION. COUNCILMAN WILLIAMS SECONDED THE MOTION. MAYOR WATTS CALLED FOR A VOTE AND THE MOTION CARRIED BY UNANIMOUS VOTE.

Town of Sunset Beach

Ron Watts, Mayor

Submitted by:

Lisa Anglin, Town Clerk

*The April 28 & 29, 2015 Budget Work Session minutes were approved by Council during the June 1, 2015 Council Meeting.